

Michigan House of Representatives
Committee on Urban Policy
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Written Testimony from the Michigan Food Policy Council
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The Michigan Food Policy Council's Report of Recommendations, published in October 2006, recommends "improving access to fresh and healthy foods by increasing the number of supermarkets and fresh food retail outlets that serve urban low-income populations" (Recommendation A5) through state-level policy and collaboration.

While many of the recommendations from the Michigan Food Policy Council have overlapping strategies and goals, this recommendation is as much about access to fresh and healthy foods as it is about growing agri-food businesses and jobs. Grocery store development in underserved locations can create benefits on many levels, including: jobs; community economic development; improved selection, quality and price of food; and health benefits. In Pennsylvania, a concerted effort to create inner-city grocery stores has lead to at least seven new stores and over 1,400 new jobs.

Many studies document the lack of supermarkets in poor and/or urban communities. The term "food desert" is used to describe an area without supermarkets or convenient access to fresh, nutritious and affordable food; some areas in Michigan and many neighborhoods in metropolitan Detroit are considered food deserts. This lack of supermarkets is compounded by a lack of access to convenient and reliable transportation options for poor people looking to purchase fresh and nutritious foods. Incidence of diet-related disease is increasing in these "food deserts."

Another issue important to the success of grocery stores throughout Michigan is the current schedule of food assistance payments. Food assistance clients receive their payments from the Michigan Department of Human Services (DHS) electronically once a month. Payments are loaded onto a Bridge Card, which is similar to a debit card. DHS distributes all of these payments during the first nine days of the month. As a result, the majority of food stamp purchases occur within the first half of the month, making it difficult for food retailers in lower-income communities to maintain inventory and staff at consistent levels throughout the month.

Issuing once-monthly benefits to clients across a greater number of days each month, rather than limiting the payment schedule to the first nine days, would reduce the current "boom and bust" food purchasing cycle and be a benefit to grocery stores. Individual clients would continue to receive a once monthly payment, which will keep their transportation needs between the store and their home or workplace to a minimum if they are without reliable transportation. The

federal government prohibits twice-a-month distribution, but several other states have found success in expanding their distribution schedule across a greater number of days in the calendar month.

Recently, the Michigan Food Policy Council coordinated a meeting with grocery industry stakeholders, non-profit and advocacy organizations, as well as the Michigan Department of Agriculture and DHS. This gathering was a chance to receive information from DHS about their stance on distributing benefits over a greater number of days. It was a productive meeting and a wonderful forum for dialogue about partnership opportunities in the near future. It was also a chance to hear more about the ways in which changes to food assistance distribution can impact the demand on food banks.

The recommendations to support grocery development in underserved areas and spread food assistance payments across a greater number of days throughout each calendar month were developed and approved by a diverse group of leaders from the grocery industry, academia, state government, and community non-profits.

The Michigan Food Policy Recommendation (From the 2006 Michigan Food Policy Council Report of Recommendations, Taskforce A):

Recommendation A5: Improve access to fresh and healthy foods by increasing the number of supermarkets and fresh food retail outlets that serve urban low-income populations.

- a) MEDC should support five communities in which to initiate urban grocery store development and/or revitalization in underserved communities and supply matching funds given availability and/or work with private foundations for financial support.
- b) DHS should explore issuing Food Assistance Program (food stamp) benefits across the calendar month, easing “boom and bust” redemption cycles in grocery stores.

Recommendation A5 Implementation Strategies (From the 2006 Michigan Food Policy Council Report of Recommendations, Taskforce A):

- 1) MEDC should designate an “Urban Food Retail Development Specialist” to be a contact person for interested retail developers and communities seeking to develop grocery stores. This individual will be responsible for:
 - a) Identifying relevant federal, state and local funding opportunities and assisting with securing private financing.
 - b) Coordinating the five grocery initiatives, which should include investigating:

- i) Unmet fresh food demand in target areas, relative spending power and income concentration, economic incentives currently available to supermarket developers, barriers to supermarket investment, and zoning and planning issues that inhibit/promote supermarket development.
- c) Assisting developers and communities with locating the right contacts within state and federal government and linking technical expertise within relevant state departments.
- d) Providing technical assistance to convenience store owners/operators in underserved areas seeking to include more locally grown produce and products.

2) DLEG should assist developers and communities with land acquisition through the Land Bank Fast Track Authority given the innovative opportunities it could provide grocery initiatives in gaining clear title to tax reverted land parcels.

3) The state should optimize existing funding sources that may or may not currently allow for retail grocery projects and create new funding sources when necessary.

Funding sources to be reviewed and/or considered include:

- a) A new funding pool for communities/retailers to renovate and maintain existing urban facilities.
- b) Brownfield Redevelopment Act funds and other brownfield funding sources primarily available through MEDC and DEQ.
- c) MEDC's Urban Land Assembly Fund.
- d) Federal funds available from the New Markets Tax Credit program administered by the Michigan State Housing Development Authority (MSHDA) and MEDC in Michigan.
- e) Local Initiatives Support Corporation — <http://www.lisc.org/detroit/>
- f) Urban Renaissance Zones tax benefits for grocery stores developed in the zones.

4) DLEG and other relevant agencies should:

- a) Establish priority for any communities that support improved access to fresh and healthy foods, especially for underserved locations when distributing Michigan's Cool Cities and other state-funded grants.

5) DHS, given adequate appropriation from the legislature, should work to issue food stamp benefits across the calendar month and coordinate efforts with food stamp program administrators and recipients in order to ensure that recipients' needs and concerns are incorporated and addressed.

